

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT**

In re:)
)
UTILITY RISK MANAGEMENT)
CORPORATION, LLC,) Chapter 11
) Case No. 10-
)
Debtor)

MOTION OF DEBTOR FOR AUTHORITY TO USE CASH COLLATERAL

Utility Risk Management Corporation, LLC (the “Debtor”) hereby moves this Court pursuant to 11 U.S.C. §§ 363(c)(2), Bankruptcy Rule 4001(b) and VT. LBR 4001-4 for authority to use cash collateral in the ordinary course of business. In support of this Motion, the Debtor states as follows:

1. The Debtor filed an original petition for relief under Chapter 11 of Title 11 of the United States Code on August 17, 2010 (the “Petition Date”) and an Order for Relief was promptly entered by the Court. No trustee has been appointed in this proceeding and the Debtor remains in possession and control of its business.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1134. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this matter and this Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The Debtor is in the business of assisting electric utilities to maintain their rights of way through the use of information gathered by the Debtor and the application of proprietary intellectual property. The Debtor’s customers include major utilities located throughout the United States. The Debtor employs 32 persons at its offices

located in Stowe, Vermont and New Hope, Pennsylvania.

4. The Debtor is owned 90% by Adam Rousselle and 10% by Asplundh Tree Expert Co. (“Asplundh”). Until recently, a representative of Asplundh served on the Debtor’s Board of Managers.
5. In the past, the Debtor did the majority of its work for ArborMetrics Solutions, Inc. (“Arbormetrics”), an affiliate of Asplundh, pursuant to a Master Services Agreement dated December, 2007, as amended. Arbormetrics has purported to terminate the Master Services Agreement. The Debtor disputes the validity of that purported termination.
6. The Debtor has a single secured creditor: Asplundh. The Debtor and Asplundh are parties to a Loan and Security Agreement dated November 12, 2008 pursuant to which Asplundh extended a revolving line of credit to the Debtor in the maximum amount of \$3,500,000 and a term loan in the amount of \$1,500,000. As of August 9, 2010, Asplundh asserts that the total amount of \$4,560,271 is due under the two notes. Since Asplundh has retained funds due to the Debtor from Arbormetrics, the outstanding balance due to Asplundh may now be lower. Asplundh declared the Loan Agreement in default by letter dated July 21, 2010. The Debtor disputes the validity of the defaults asserted by Asplundh.
7. Asplundh asserts a lien upon substantially all of the Debtor’s personal property by virtue of the Loan and Security Agreement. Asplundh filed a financing statement with the Delaware Secretary of State naming the Debtor as debtor on November 17, 2008.
8. By this Motion, the Debtor seeks authority to use cash on hand and cash proceeds of

its accounts receivable for ordinary course business expenses through November 30, 2010. The property the Debtor seeks to use is subject to the asserted lien of Asplundh. The Debtor does not, at this time, seek authority to use the proceeds of accounts receivable owed to the Debtor by Arbormetrics, which total approximately \$1,000,000.

9. The value of the Debtor's accounts and cash on hand as of the Petition Date (not including amounts owed by Arbormetrics) was \$109,605.89. The Debtor proposes to use cash on hand and the cash proceeds of prepetition accounts receivable in the amounts and for the purposes set forth on Exhibit A hereto. All of the expenditures are ordinary course expenses necessary to protect and preserve the Debtor's assets and maintain the Debtor as a going concern enterprise. As and for adequate protection of the interest of Asplundh in the cash collateral to be consumed by the Debtor, the Debtor will grant Asplundh a lien upon its post-petition accounts receivable with the same validity, priority and effect as the pre-petition lien of Asplundh on the accounts of the Debtor. As set forth on Exhibit A, the value of the Debtor's cash on hand and accounts receivable as of September 30, October 31 and November 30 far exceeds the value of those assets as of the Petition Date. Accordingly, the interest of Asplundh in the Debtor's pre-petition accounts and cash on hand is adequately protected by the offer of a replacement lien in the Debtor's post- petition accounts.

WHEREFORE, Utility Risk Management Corporation, LLC requests that this Court enter its Order:

- a. Approving the Debtor's use of cash collateral in the amounts and for the

purposes set forth on Exhibit A hereto;

- b. Granting Asplundh Tree Expert Co. a replacement lien upon the Debtor's post petition accounts to secure an amount equal to the amount of pre-petition cash and accounts receivable consumed by the Debtor, which replacement lien shall have the same validity, priority and effect as the pre-petition lien of Asplundh upon the accounts of the Debtor; and
- c. Granting such other relief as justice may require.

Attorneys for Debtor,
Utility Risk Management Corporation, LLC

Dated: August 17, 2010

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Dated: August 17, 2010

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EXHIBIT A

